



General Assembly

February Session, 2002

Raised Bill No. 53

LCO No. 194

Referred to Committee on Judiciary

Introduced by:
(JUD)

AN ACT ESTABLISHING A LEGAL EDUCATION LOAN REPAYMENT ASSISTANCE PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) As used in sections 1 to 3,
2 inclusive, of this act:

3 (1) "Board" means the State Legal Education Loan Repayment
4 Assistance Board established under section 2 of this act;

5 (2) "Eligible income" means income that is (A) the greater of (i) a
6 participant's annual adjusted gross income as determined for purposes
7 of the federal income tax, or (ii) if a participant has filed a joint federal
8 tax return, one-half of the annual adjusted gross income indicated on
9 such return, and (B) not in excess of forty thousand dollars plus an
10 additional cost-of-living adjustment, determined by the board on an
11 annual basis, that reflects the increase, if any, in the National
12 Consumer Price Index for Urban Wage Earners and Clerical Workers
13 for the previous twelve-month period;

14 (3) "Eligible loan" means one or more loans for undergraduate or

15 law school study from a college or university or from a government or
16 commercial source that is based on the financial need of the recipient
17 and on which the payments are current and not in default;

18 (4) "Participant" means a person determined by the board to be
19 eligible for loan repayment assistance from the legal education loan
20 repayment assistance program under subsection (b) of section 3 of this
21 act; and

22 (5) "Public interest law" means the practice of law in a position of
23 employment with (A) a federal, state or local government or Native
24 American tribal government, (B) an organization, institution,
25 association, society or corporation that is exempt from taxation under
26 Section 501(c)(3), (4) or (5) of the Internal Revenue Code of 1986, or any
27 subsequent corresponding internal revenue code of the United States,
28 as from time to time amended, or (C) an organization that provides
29 legal services to indigent or disabled persons.

30 Sec. 2. (NEW) (*Effective from passage*) (a) There is established a State
31 Legal Education Loan Repayment Assistance Board that shall
32 administer the legal education loan repayment assistance program
33 established under section 3 of this act. The board shall be comprised of
34 nine members appointed as follows: (1) The Governor shall appoint
35 three members, one of whom shall be a faculty member of a law school
36 in this state, one of whom shall be a person with experience in student
37 financing of higher education and one of whom shall be a student at a
38 law school in this state; and (2) the president pro tempore of the
39 Senate, the speaker of the House of Representatives, the majority
40 leader of the Senate, the majority leader of the House of
41 Representatives, the minority leader of the Senate and the minority
42 leader of the House of Representatives shall each appoint one member.
43 Of the members appointed by the legislative leaders pursuant to
44 subdivision (2) of this subsection, one member shall represent a
45 federal, state or local government or Native American tribal
46 government, one member shall represent an organization, institution,

47 association, society or corporation that is exempt from taxation under
48 Section 501(c)(3), (4) or (5) of the Internal Revenue Code of 1986, or any
49 subsequent corresponding internal revenue code of the United States,
50 as from time to time amended, one member shall represent an
51 organization that provides legal services to indigent or disabled
52 persons, and the remaining three members shall have knowledge,
53 expertise or experience in the practice of pro bono or public service
54 law.

55 (b) All initial appointments to the board shall be made not later than
56 July 1, 2002. The term of each member of the board shall be
57 coterminous with the term of the appointing authority or until a
58 successor is chosen, whichever is later. Any vacancy on the board shall
59 be filled for the unexpired portion of the term by the appointing
60 authority. Members of the board shall serve without compensation for
61 their services but shall be reimbursed for reasonable expenses incurred
62 in the performance of their duties. The Governor shall appoint a
63 chairperson from among the members of the board. The board shall
64 meet at least quarterly and at such other times as the chairperson
65 deems necessary or upon the request of a majority of the members.
66 Five members of the board shall constitute a quorum. The board shall
67 be within the Department of Higher Education for administrative
68 purposes only.

69 (c) The board may adopt regulations, in accordance with chapter 54
70 of the general statutes, to carry out the provisions of sections 1 to 3,
71 inclusive, of this act.

72 (d) The board may solicit and receive donations from law schools,
73 corporations, nonprofit organizations, bar associations, bar
74 foundations, law firms, individuals or other sources for purposes of
75 the legal education loan repayment assistance program established
76 under section 3 of this act.

77 Sec. 3. (NEW) (*Effective from passage*) (a) There is established a legal
78 education loan repayment assistance program to provide, within

79 available funds, loan repayment assistance in the form of one or more
80 grants to participants for reimbursement of payments made on eligible
81 loans.

82 (b) A person may file with the board an application for participation
83 in the legal education loan repayment assistance program. The
84 application shall be in such form as the board may prescribe. In order
85 to be eligible for participation in the program, such person shall: (1)
86 Have graduated from a law school in this state; (2) be a member of the
87 bar of this state; (3) have an eligible loan; (4) have eligible income; (5)
88 not be in default on any loan and be current in payments on all
89 educational loans; (6) not be entitled to loan repayment assistance from
90 another educational loan repayment assistance program, including,
91 but not limited to, a loan repayment assistance program administered
92 by the law school attended by such person or by a fellowship program;
93 and (7) be employed thirty-five hours or more per week in public
94 interest law.

95 (c) The legal education loan repayment assistance program shall
96 provide loan repayment assistance to participants for a period of ten
97 years after the participant's graduation from law school or until the
98 participant's eligible loan is repaid in full, whichever occurs first. A
99 participant shall contribute between six and ten per cent of the
100 participant's adjusted gross income, as determined for purposes of the
101 federal income tax, toward the participant's repayment obligation on
102 the eligible loan. The amount of the contribution required to be made
103 by the participant shall be determined by the board and be based on
104 the availability of funds for the program and the financial need of the
105 participant. The board shall distribute loan repayment assistance
106 payments to a participant on a quarterly basis for the amount needed
107 to satisfy the participant's repayment obligation on the eligible loan,
108 provided the total amount of loan repayment assistance provided to a
109 participant in any year shall not exceed four thousand dollars.

110 (d) A participant shall keep the eligible loan current by the payment

111 of all required amounts in full and on time. The participant shall notify
 112 the board of any exceptional circumstances that prevent the participant
 113 from making eligible loan payments in full and on time, and the
 114 participant's continuing eligibility for the program shall be at the
 115 discretion of the board. The participant shall submit to the board, on
 116 an annual basis and upon a change in employment status or an
 117 increase in salary, such employment and financial information as the
 118 board may require for purposes of determining the participant's
 119 continuing eligibility for the program.

120 (e) (1) Except as otherwise provided in subdivision (2) of this
 121 subsection, a participant who leaves employment in public interest law
 122 prior to completing five consecutive years of such employment shall
 123 repay all or part of the loan repayment assistance provided to the
 124 participant under the program as required by the board on a case-by-
 125 case basis.

126 (2) A participant who takes a medical or family leave of absence
 127 from employment in public interest law shall continue to receive loan
 128 repayment assistance under the program, except that if such
 129 participant does not return to such employment after six months on
 130 such leave of absence, the board shall terminate such participant's
 131 eligibility and require (A) repayment of all or part of the loan
 132 repayment assistance provided to such participant during such leave
 133 of absence, as determined by the board on a case-by-case basis, and (B)
 134 repayment in accordance with subdivision (1) of this subsection, if
 135 applicable.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>

Statement of Purpose:

To establish a program to provide assistance with the repayment of educational loans to law school graduates who are employed in public interest law and who have income below specified levels.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]